

**INLAND EMPIRE  
PUBLIC FACILITIES CORPORATION**

**AUDIT REPORT**

**JUNE 30, 2009**

# INLAND EMPIRE PUBLIC FACILITIES CORPORATION

## TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1
Exhibit "A" Combined Statement of Net Assets	2 – 3
Exhibit "B" Combined Statement of Revenues, Expenses, and Changes in Net Assets	4 – 5
Exhibit "C" Combined Statement of Cash Flows	6 – 7
Notes to the Financial Statements	8 – 34
Supplementary Information	
Schedule One Schedule of Lease Payments Receivable Construction and Improvement Project 1996 County Center Refinancing	35
Schedule Two Schedule of Lease Payments Receivable Construction and Improvement Project - Series 2002	36
Schedule Three Schedule of Lease Payments Receivable – West Valley Detention Center Project – 2001 Series A	37
Schedule Four Schedule of Lease Payments Receivable – West Valley Detention Center Project - 2001 Series B	38
Schedule Five Schedule of Lease Payments Receivable – West Valley Detention Center Project - 2002 Series A	39
Schedule Six Schedule of Lease Payments Receivable – Medical Center Project - Series 1994	40
Schedule Seven Schedule of Lease Payments Receivable – Medical Center Project - Series 1995	41
Schedule Eight Schedule of Lease Payments Receivable – Medical Center Project - Series 1996	42
Schedule Nine Schedule of Lease Payments Receivable – Medical Center Project - Series 1998	43

# INLAND EMPIRE PUBLIC FACILITIES CORPORATION

## TABLE OF CONTENTS

		<u>PAGE</u>
Schedule Ten	Schedule of Lease Payments Receivable – Glen Helen Blockbuster Project - Series 2008 A	44
Schedule Eleven	Schedule of Lease Payments Receivable – Glen Helen Blockbuster Project - Series 2008 B	45
Schedule Twelve	Schedule of Lease Payments Receivable – Capital Improvement Refinancing Project	46
Schedule Thirteen	Schedule of Lease Payments Receivable – Solid Waste Financing Project – Series 2008B	47
Schedule Fourteen	Schedule of Lease Payments Receivable – Public Improvement Financing Project	48
Schedule Fifteen	Schedule of Debt Service - Certificates of Participation - Construction and Improvement Project – 1996 County Center Refinancing	49
Schedule Sixteen	Schedule of Debt Service - Certificates of Participation – Construction and Improvement Project – Series 2002	50
Schedule Seventeen	Schedule of Debt Service - Certificates of Participation - West Valley Detention Center Project - 2001 Series A	51
Schedule Eighteen	Schedule of Debt Service - Certificates of Participation - West Valley Detention Center Project - 2001 Series B	52
Schedule Nineteen	Schedule of Debt Service - Certificates of Participation – West Valley Detention Center Project - 2002 Series A	53
Schedule Twenty	Schedule of Debt Service - Certificates of Participation - Medical Center Project – Series 1994	54
Schedule Twenty-one	Schedule of Debt Service - Certificates of Participation - Medical Center Project – Series 1995	55

# INLAND EMPIRE PUBLIC FACILITIES CORPORATION

## TABLE OF CONTENTS

		<u>PAGE</u>
Schedule Twenty-two	Schedule of Debt Service - Certificates of Participation - Medical Center Project - Series 1996	56
Schedule Twenty-three	Schedule of Debt Service - Certificates of Participation - Medical Center Project - Series 1998	57
Schedule Twenty-four	Schedule of Debt Service - Certificates of Participation - Glen Helen Blockbuster Refinancing Project - Series 2008 A	58
Schedule Twenty-five	Schedule of Debt Service - Certificates of Participation - Glen Helen Blockbuster Refinancing Project - Series 2008 B	59
Schedule Twenty-six	Schedule of Debt Service - Certificates of Participation - Capital Improvement Refinancing Project	60
Schedule Twenty-seven	Schedule of Debt Service - Certificates of Participation - Solid Waste Financing Project - Series 2008 B	61
Schedule Twenty-eight	Schedule of Debt Service - Certificates of Participation - Public Improvement Financing Project	62

THIS PAGE LEFT INTENTIONALLY BLANK



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Inland Empire Public Facilities Corporation  
San Bernardino, California

We have audited the accompanying financial statements of the Inland Empire Public Facilities Corporation (the Corporation) a component unit of the County of San Bernardino, California, as of and for the year ended June 30, 2009, which collectively comprise the Corporation's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Inland Empire Public Facilities Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Inland Empire Public Facilities Corporation as of June 30, 2009, and the respective changes in financial position thereof, and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Corporation has not presented management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the Inland Empire Public Facilities Corporation's financial statements. The supplementary information on those pages listed in the table of contents is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Vavrinek, Trine, Day & Co., LLP*

Rancho Cucamonga, California  
October 16, 2009

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**COMBINED STATEMENT OF NET ASSETS**  
**JUNE 30, 2009**

**EXHIBIT A**

	Construction and Improvement Project	West Valley Detention Center Project	Medical Center Project	Glen Helen Blockbuster Project
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$ 15,626,172	\$ 65,224	\$ 13,954,737	\$ 1,135,194
Investments	-	-	34,019,321	-
Interest receivable	260	-	447,201	19
Receivable from County of San Bernardino	-	-	80,899	-
Current portion of gross lease payments receivable	9,912,490	9,051,021	39,964,531	764,506
Current portion of unearned lease interest income	(4,301,070)	(4,622,231)	(30,349,323)	(404,271)
Total Current Assets	<u>21,237,852</u>	<u>4,494,014</u>	<u>58,117,366</u>	<u>1,495,448</u>
Noncurrent Assets:				
Gross lease payments receivable, net of current portion	52,773,094	81,034,865	763,820,265	13,657,057
Unearned lease interest income, net of current portion	(14,232,532)	(23,099,887)	(339,919,898)	(3,949,704)
Deferred Certificates of Participation issuance costs	724,968	1,172,819	6,764,842	103,250
Total Noncurrent Assets	<u>39,265,530</u>	<u>59,107,797</u>	<u>430,665,209</u>	<u>9,810,603</u>
 TOTAL ASSETS	 <u>60,503,382</u>	 <u>63,601,811</u>	 <u>488,782,575</u>	 <u>11,306,051</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Interest Payable	946,769	565,450	10,690,823	4,420
Current portion of Certificates of Participation payable	8,050,000	5,720,000	21,788,000	710,000
Total Current Liabilities	<u>8,996,769</u>	<u>6,285,450</u>	<u>32,478,823</u>	<u>714,420</u>
Noncurrent Liabilities:				
Certificates of Participation Payable net of current portion	51,785,000	65,080,000	487,462,000	13,135,000
Arbitrage Payable	-	-	80,899	-
Deferred Loss on refunding	(4,265,387)	(3,011,496)	(32,429,943)	(2,655,147)
Discounts, net of premium on Certificates of Participation payable	813,444	1,533,108	(11,577,699)	-
Total Noncurrent Liabilities	<u>48,333,057</u>	<u>63,601,612</u>	<u>443,535,257</u>	<u>10,479,853</u>
 TOTAL LIABILITIES	 <u>57,329,826</u>	 <u>69,887,062</u>	 <u>476,014,080</u>	 <u>11,194,273</u>
<b>NET ASSETS (DEFICIT)</b>				
Restricted	<u>\$ 3,173,556</u>	<u>\$ (6,285,251)</u>	<u>\$ 12,768,495</u>	<u>\$ 111,778</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**COMBINED STATEMENT OF NET ASSETS**  
**JUNE 30, 2009**

**EXHIBIT A**

Capital Improvement Refinancing Project	Solid Waste Financing Project	Public Improvement Financing Project	Total
\$ 16,999	\$ 5,764,356	\$ 1,338,111	\$ 37,900,793
-	-	-	34,019,321
-	169	37	447,686
-	-	-	80,899
311,798	6,825,439	1,316,603	68,146,388
(175,687)	(1,714,624)	(453,600)	(42,020,806)
153,110	10,875,340	2,201,151	98,574,281
6,595,454	63,219,901	11,724,156	992,824,792
(1,548,463)	(7,039,579)	(3,690,844)	(393,480,907)
216,802	494,759	282,249	9,759,689
5,263,793	56,675,081	8,315,561	609,103,574
5,416,903	67,550,421	10,516,712	707,677,855
794	39,659	116,979	12,364,894
300,000	6,405,000	870,000	43,843,000
300,794	6,444,659	986,979	56,207,894
6,500,000	61,555,000	8,220,000	693,737,000
-	-	-	80,899
(1,152,196)	(1,179,423)	-	(44,693,592)
-	-	(176,010)	(9,407,157)
5,347,804	60,375,577	8,043,990	639,717,150
5,648,598	66,820,236	9,030,969	695,925,044
\$ (231,695)	\$ 730,185	\$ 1,485,743	\$ 11,752,811

**ASSETS**

Current Assets:

Cash and cash equivalents  
Investments  
Interest receivable  
Receivable from County of  
San Bernardino  
Current portion of gross lease  
payments receivable  
Current portion of unearned  
lease interest income  
Total Current Assets

Noncurrent Assets:

Gross lease payments receivable,  
net of current portion  
Unearned lease interest income,  
net of current portion  
Deferred Certificates of  
Participation issuance costs  
Total Noncurrent Assets

**TOTAL ASSETS**

**LIABILITIES**

Current Liabilities:

Interest Payable  
Current portion of Certificates of  
Participation payable  
Total Current Liabilities

Noncurrent Liabilities:

Certificates of Participation Payable  
net of current portion  
Arbitrage Payable  
Deferred Loss on refunding  
Discounts, net of premium on  
Certificates of Participation payable  
Total Noncurrent Liabilities

**TOTAL LIABILITIES**

**NET ASSETS (DEFICIT)**

Restricted

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS



**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**EXHIBIT B**

	Construction and Improvement Project	West Valley Detention Center Project	Medical Center Project	Glen Helen Blockbuster Project
<b>REVENUES</b>				
Lease interest	\$ 4,730,860	\$ 4,951,767	\$ 20,120,291	\$ 455,624
Investment income				
Interest and dividends	155,155	7,101	2,325,718	3,383
Net increase (decrease) in fair value of investments	<u>-</u>	<u>-</u>	<u>448,895</u>	<u>-</u>
Total Revenues	<u>4,886,015</u>	<u>4,958,868</u>	<u>22,894,904</u>	<u>459,007</u>
<b>EXPENSES</b>				
Interest	2,066,784	3,533,844	30,181,831	207,297
Amortization of deferred amount on refinancing	632,109	576,815	1,807,388	181,033
Amortization of discount (premium) on Certificates of Participation	(116,206)	(263,168)	608,585	-
Amortization of deferred Certificates of Participation issuance costs	107,659	125,475	437,193	7,040
Other expenses	<u>-</u>	<u>1,626</u>	<u>129,866</u>	<u>-</u>
Total Expenses	<u>2,690,346</u>	<u>3,974,592</u>	<u>33,164,863</u>	<u>395,370</u>
Income (loss) before transfers	2,195,669	984,276	(10,269,959)	63,637
Transfers - out to County	<u>-</u>	<u>-</u>	<u>249,226</u>	<u>3,485</u>
Net Transfers	<u>-</u>	<u>-</u>	<u>249,226</u>	<u>3,485</u>
Changes in Net Assets	2,195,669	984,276	(10,519,185)	60,152
Net Assets (Deficit) - July 1, 2008	<u>977,887</u>	<u>(7,269,527)</u>	<u>23,287,680</u>	<u>51,626</u>
Net Assets (Deficit) - June 30, 2009	<u><u>\$ 3,173,556</u></u>	<u><u>\$ (6,285,251)</u></u>	<u><u>\$ 12,768,495</u></u>	<u><u>\$ 111,778</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**EXHIBIT B**

Capital Improvement Refinancing Project	Solid Waste Financing Project	Public Improvement Financing Project	Total	
\$ 145,173	\$ 2,054,097	\$ 346,438	\$ 32,804,250	<b>REVENUES</b>
60	32,511	16,450	2,540,378	Lease interest
-	-	-	448,895	Investment income
145,233	2,086,608	362,888	35,793,523	Interest and dividends
				Net increase (decrease) in fair value of investments
				Total Revenues
78,023	1,418,178	524,170	38,010,127	<b>EXPENSES</b>
70,542	153,838	-	3,421,725	Interest
-	-	10,832	240,043	Amortization of deferred amount on refinancing
13,273	64,534	17,369	772,543	Amortization of discount(premium) on Certificates of Participation
-	-	2,027,599	2,159,091	Amortization of deferred Certificates of Participation issuance costs
161,838	1,636,550	2,579,970	44,603,529	Other expenses
(16,605)	450,058	(2,217,082)	(8,810,006)	Total Expenses
-	93,386	-	346,097	Income (loss) before transfers
-	93,386	-	346,097	Transfers - out to County
(16,605)	356,672	(2,217,082)	(9,156,103)	Net Transfers
(215,090)	373,513	3,702,825	20,908,914	Changes in Net Assets
\$ (231,695)	\$ 730,185	\$ 1,485,743	\$ 11,752,811	<b>Net Assets (Deficit) - July 1, 2008</b>
				<b>Net Assets (Deficit) - June 30, 2009</b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**COMBINED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**EXHIBIT C**

	Construction and Improvement Project	West Valley Detention Center Project	Medical Center Project	Glen Helen Blockbuster Project
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Lease payments received	\$ 9,836,017	\$ 9,060,658	\$ 45,501,650	\$ 914,515
Principal payments on Certificates of Participation	(7,435,000)	(5,495,000)	(29,795,000)	(710,000)
Interest paid	(2,156,599)	(3,565,658)	(30,876,786)	(223,777)
Other expenses	-	(1,626)	(129,866)	-
Certificate of Participation Issuance Costs	-	-	-	(10,172)
Net Cash Provided By (Used) For Capital and Related Financing Activities	<u>244,418</u>	<u>(1,626)</u>	<u>(15,300,002)</u>	<u>(29,434)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Investment income	309,678	7,159	2,874,587	4,766
Proceeds from sale of investments	13,161,398	-	24,799,480	-
Purchase of investments	(6,580,854)	-	-	-
Transfer to County			(249,226)	(3,485)
Net Cash Provided By (Used) For Investing Activities	<u>6,890,222</u>	<u>7,159</u>	<u>27,424,841</u>	<u>1,281</u>
Increase (Decrease) in cash and cash equivalents	7,134,640	5,534	12,124,838	(28,154)
<b>Cash and cash equivalents at June 30, 2008</b>	<u>8,491,532</u>	<u>59,690</u>	<u>1,829,899</u>	<u>1,163,348</u>
<b>Cash and cash equivalents at June 30, 2009</b>	<u><u>\$ 15,626,172</u></u>	<u><u>\$ 65,224</u></u>	<u><u>\$ 13,954,737</u></u>	<u><u>\$ 1,135,194</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION  
COMBINED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2009**

**EXHIBIT C**

Capital Improvement Refinancing Project	Solid Waste Financing Project	Public Improvement Financing Project	Total
\$ 382,568	\$ 7,888,491	\$ 1,352,525	\$ 74,936,424
(300,000)	(6,430,000)	(2,840,000)	(53,005,000)
(85,289)	(1,524,860)	(560,274)	(38,993,243)
-	-	-	(131,492)
-	(51,986)	-	(62,158)
(2,721)	(118,355)	(2,047,749)	(17,255,469)
79	41,323	48,410	3,286,002
-	-	1,412,239	39,373,117
-	-	-	(6,580,854)
-	(93,390)	-	(346,101)
79	(52,067)	1,460,649	35,732,164
(2,641)	(170,421)	(587,100)	18,476,696
19,640	5,934,777	1,925,211	19,424,097
<u>\$ 16,999</u>	<u>\$ 5,764,356</u>	<u>\$ 1,338,111</u>	<u>\$ 37,900,793</u>

**CASH FLOWS FROM CAPITAL  
AND RELATED FINANCING  
ACTIVITIES:**

Lease payments received  
Principal payments on Certificates  
of Participation  
Interest paid  
Other expenses  
Certificate of Participation  
Issuance Costs  
Net Cash Provided By (Used  
For) Capital and Related  
Financing Activities

**CASH FLOWS FROM INVESTING  
ACTIVITIES:**

Investment income  
Proceeds from sale of investments  
Purchase of investments  
Transfer to County  
Net Cash Provided By (Used)  
For Investing Activities

Increase (Decrease) in cash and cash  
equivalents

**Cash and cash equivalents at  
June 30, 2008**

**Cash and cash equivalents at  
June 30, 2009**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 1: DESCRIPTION OF THE CORPORATION AND ACCOUNTING POLICIES**

The Inland Empire Public Facilities Corporation (Corporation) is a nonprofit public benefit corporation, formed on May 30, 1986, to serve the County of San Bernardino (County) by financing, refinancing, acquiring, constructing, improving, leasing and selling buildings, building improvements, equipment, land, land improvements, and any other real or personal property for the benefit of residents of the County.

The Corporation's financial statements are presented on the accrual basis of accounting. The Corporation is deemed to be a component unit of the County. Upon termination of the trust and lease agreements, any remaining assets of the Corporation shall become the property of the County. All projects are presented as major proprietary funds.

The Corporation uses the Direct Financing Lease Method to record the lease of the projects to the County. Under this method, when a project is completed, the Corporation records a lease receivable (see Note 4) and the Capital Assets are carried on the books of the lessee (County).

The Corporation enters into interest rate swap agreements to modify interest rates on outstanding debt. Other than the net interest expenditures resulting from these agreements, no amounts are recorded in the financial statements.

The Corporation treats all investments with original maturities of three months or less as cash equivalents.

Deferred charges, which consist of Certificate of Participation (COP) issuance costs, and COP premiums/discounts, are amortized over the life of the debt using the straight-line method.

The deferred loss on bond refunding represents the excess of the amount placed in escrow (reacquisition price) over the carrying amount of the refunded bonds and is amortized as a component of interest expense over the remaining life of the refunded bonds (i.e. the shorter of the remaining life of the refunded or refunding bonds).

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

In accordance with Governmental Accounting Standards Board Statement No. 34 (GASB 34), a statement of net assets, a statement of revenues, expenses, and changes in net assets, and a statement of cash flows are presented. GASB 34 requires the classification of net assets into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 1: DESCRIPTION OF THE CORPORATION AND ACCOUNTING POLICIES (*continued*)**

*Restricted* – This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net assets* – This component of net assets consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In June 2008, GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. This statement is not effective until June 30, 2010. The Corporation has not determined its effect on the financial statements.

**NOTE 2: THE PROJECTS**

***Construction and Improvement Project.*** The Corporation issued Certificates of Participation dated January 15, 1992 in the amount of \$89,905,000. The Corporation applied the proceeds of the sale of the Certificates, together with other available funds, to provide for the defeasance of \$72,760,000 of the \$111,695,000 then outstanding Certificates of Participation originally delivered in 1986 (Prior Certificates). The Corporation issued Variable Certificates of Participation dated January 20, 1995 in the amount of \$40,400,000 (1995 County Center Refinancing Certificates). The proceeds from the sale of the 1995 County Center Refinancing Certificates were used to provide for the defeasance of the remaining outstanding Prior Certificates in the amount of \$36,675,000 and to provide for reimbursement in the amount of \$1,751,174 to the County of San Bernardino. The reimbursement was to finance capital projects within the County. The Corporation issued Certificates of Participation dated July 11, 1996 in the amount of \$39,600,000 (1996 County Center Refinancing Certificates). The proceeds from the sale of the 1996 Certificates were used to provide for the defeasance of the 1995 County Center Refinancing Certificates. The Corporation issued Certificates of Participation dated March 1, 2002 in the amount of \$68,100,000 (2002 Certificates). The Corporation applied the proceeds of the Certificates for the defeasance of the \$66,130,000 outstanding Certificates of Participation originally delivered in 1992.

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 2: THE PROJECTS *(continued)***

The Prior Certificates were delivered for a project with these three elements:

- a) The refunding of outstanding Certificates of the San Bernardino Building Authority for the construction of the County Public Government Center.
- b) The refunding of outstanding Certificates of the San Bernardino County Public Improvements Authority for the construction of the Foothill Law and Justice Center.
- c) The financing of certain improvements to the Chino Airport.

The County Government Center is a five-story office complex located at 385 North Arrowhead Avenue in San Bernardino. The Foothill Law and Justice Center is a four-story office and courtroom facility in the City of Rancho Cucamonga. Improvements to the Chino Airport include construction of four aircraft assembly buildings and appropriate site development. These facilities, known as the "Construction and Improvement Project," were leased to the County for lease payments which were designed in both time and amount to pay the principal and interest on the Certificates.

On May 13, 1997, the Corporation approved amendments to the Lease Agreement entered into in connection with the issue of the 1996 County Center Refinancing Certificates. The amendment provided for the release of property leased and the substitution of other property owned by the County. Substituted property pledged by the County as collateral for the 1996 Certificates consists of the Central Jail, Offices and Bindery, the Vehicle Services Garage, and the Coroner's Office.

The Foothill Law and Justice Center and the Victorville Law and Justice Center have been pledged by the County as collateral for the 2002 Certificates.

***West Valley Detention Center Project.*** The Corporation issued Certificates of Participation dated May 1, 1992 in the amount of \$117,770,000 to provide for the defeasance of the \$104,745,996 outstanding Certificates of Participation which were delivered and executed in 1988. The 1988 Certificates of Participation were delivered to finance the construction of a detention center located in the City of Rancho Cucamonga and certain related facilities and equipment and acquisition of the site. In addition to providing for the defeasance, the Certificates of Participation were issued to provide for costs of additional improvements to the detention center in the amount of \$2,600,000, and to provide for reimbursement in the amount of \$8,980,336 to the County of San Bernardino. The reimbursement was for a portion of the costs relating to the acquisition of 4.13 acres of real property located in the City of San Bernardino together with a newly constructed office building situated thereon (Reimbursed Project).

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 2: THE PROJECTS *(continued)***

The Corporation has entered into a lease agreement with San Bernardino County whereby the detention center, known as the "West Valley Detention Center," is leased to the County for lease payments which are designed in both time and amount to pay the principal and interest on the Certificates. The Reimbursed Project is not subject to the lease agreement. On May 13, 1997, the Corporation approved amendments to the Lease Agreement entered into in connection with the issue of the 1992 Certificates. The amendment provided for the release of property leased and the substitution of other property owned by the County. The Corporation issued Certificates of Participation dated October 25, 2001 in the amount of \$8,365,000 (2001 Series A) and \$42,075,000 (2001 Series B). The 2001 Series A Certificates were issued to provide funds to refund on a cross-over basis \$7,785,000 of the outstanding 1992 Certificates. The proceeds of the 2001 Series B Certificates were used to reimburse Bear, Stearns and Co., Inc. for funds advanced by it for the purchase of \$39,825,000 of the outstanding 1992 Certificates. The purchased Certificates were then cancelled. The Corporation issued Certificates of Participation dated August 6, 2002 in the amount of \$44,480,000 (2002 Series A) the proceeds of which were used to refund \$44,545,000 of the outstanding 1992 Certificates. Property pledged by the County as collateral for the 2001 and 2002 Certificates consists of portions of the West Valley Detention Center and the Courthouse and Annex located in the City of San Bernardino.

***Medical Center Project.*** On November 4, 1991, the Board of Directors of the Corporation approved the overall financing program for the construction of the replacement County Medical Center. The project consisted of a hospital to be constructed on the site and hospital equipment. The overall financing plan for the replacement County Medical Center consists of the following phases:

1. Land acquisition financing:

The Corporation issued Certificates of Participation, Series A, dated November 1, 1991, in the amount of \$18,360,000. The proceeds from the sale of the "Series A" Certificates were used to acquire certain parcels of real property, which were used as the site of the hospital.

2. Preconstruction and first phase construction financing:

The Corporation issued Certificates of Participation, Series B, dated January 1, 1992, in the amount of \$246,100,000. The proceeds from the sale of the "Series B" Certificates were to be used to finance a portion of the costs of design, engineering, construction management and construction of the hospital, and to fund capitalized interest to August 1, 1999, and fund a reserve fund deposit.



**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 2: THE PROJECTS (*continued*)**

On March 2, 1994, the Corporation issued Certificates of Participation dated February 1, 1994 in the amount of \$283,245,000 (1994 Certificates). The proceeds from the sale of the 1994 Certificates were used, together with remaining funds from the issuance of Series A and Series B Certificates, to provide funds for defeasance of the Series A and Series B Certificates. In addition to providing for the defeasance, the proceeds from the sale of the 1994 Certificates were used, together with remaining funds from the issuance of Series A and Series B Certificates, to provide funds to finance a portion of the costs of design, engineering, construction management and construction of the hospital and to fund capitalized interest to August 1, 1999, and fund a reserve fund deposit.

**3. Principal construction financing**

On June 28, 1995, the Corporation issued Certificates of Participation dated June 1, 1995 in the amount of \$363,265,000 (1995 Certificates). The proceeds from the sale of the 1995 Certificates were used, together with some of the remaining funds from the issuance of the 1994 Certificates, to provide funds for the refunding of \$69,640,000 of the \$283,245,000 outstanding 1994 Certificates of Participation. In addition to providing for the refunding, the proceeds from the sale of the 1995 Certificates were used to provide funds to complete construction and to fund capitalized interest to and including October 1, 1999, and fund a reserve fund deposit.

On January 31, 1996, the Corporation issued Certificates of Participation dated January 1, 1996 in the amount of \$65,070,000 (1996 Certificates). The proceeds from the sale of the 1996 Certificates were used to provide for the defeasance of \$55,000,000 of the \$363,265,000 outstanding 1995 Certificates.

On October 22, 1998, the Corporation issued Certificates of Participation dated October 16, 1998 in the amount of \$176,510,000 (1998 Certificates). The proceeds from the sale of the 1998 Certificates were used to advance refund \$160,700,000 of the \$308,265,000 outstanding 1995 Certificates, to fund capitalized interest on the series 1998 Certificates to October 1, 1999, and to pay certain expenses of the transaction.

**4. Major equipment acquisition financing**

On September 16, 1997, the Corporation issued Certificates of Participation dated August 1, 1997 in the amount of \$121,095,000 (1997 Certificates). The proceeds from the sale of the 1997 Certificates were used to provide funds to finance the acquisition of equipment for the replacement San Bernardino County Medical Center and to fund Capitalized interest to and including August 1, 1999, and fund a reserve fund deposit.

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 2: THE PROJECTS *(continued)***

The acquisition and construction of the Project was carried out by the County as the agent of the Corporation pursuant to a Master Agency Agreement, dated as of February 1, 1994. The County has leased the Site to the Corporation pursuant to the Master Site Lease, dated as of February 1, 1994.

The Corporation has entered into a master lease agreement with the County whereby the project (i.e. the hospital) is leased to the County. The County is required under the master lease agreement to make aggregate lease payments which are designed in both time and amount to pay the principal and interest due with respect to the Series 1994 Certificates, the Series 1995 Certificates, the Series 1996 Certificates, the Series 1997 Certificates and the Series 1998 Certificates.

***Glen Helen Blockbuster Project:*** The Corporation issued Certificates of Participation dated December 22, 1994 in the amount of \$7,380,000 (Series C Certificates), Certificates of Participation dated December 6, 1995 in the amount of \$16,510,000 (Series D Certificates) and Certificates of Participation dated December 6, 1995 in the amount of \$4,430,000 (Series E Certificates). The proceeds from the sale of Series C Certificates were used to finance the acquisition, construction, installation and equipping of an interchange at I-15 and Glen Helen Parkway and related roadwork. The proceeds from the sale of the Series D Certificates were used to provide for the defeasance of the outstanding \$14,625,000 Series A Certificates originally delivered in 1994 to finance the acquisition, construction, improvement and equipping of certain public improvements related to the Glen Helen Blockbuster Pavilion (Pavilion Improvements). The proceeds from the sale of the Series E Certificates were used to provide for the defeasance of the outstanding \$3,880,000 Series B Certificates originally delivered in 1994 to finance the acquisition, construction, improvement and equipping of certain improvements to the Glen Helen Park (Park Improvements).

The Corporation issued Certificates of Participation dated May 1, 2003 in the amounts of \$9,825,000 (Series 2003 A Certificates) and \$9,875,000 (Series 2003 B Certificates). The proceeds were used to prepay and refund the outstanding \$6,035,000 of the Series C Certificates, \$9,690,000 of the Series D Certificates and \$3,610,000 of the Series E Certificates. On May 1, 2003, the Corporation approved amendments to the previous Lease Agreements entered into in connection with the issues of Series C, Series D and Series E. The amendments provided for the release of property leased and the substitution of other property owned by the County. The Corporation has entered into a lease agreement with the County whereby the Mid-Valley Landfill is leased to the County for the lease payments which are designed in both time and amount to pay the principal and interest on the Series 2003 A and Series 2003 B Certificates.

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 2: THE PROJECTS *(continued)***

The Corporation issued Certificates of Participation dated April 16, 2008 in the amounts of \$8,860,000 (Series 2008 A Certificates) and \$5,695,000 (Series 2008 B Certificates). The proceeds were used to prepay and refund the outstanding \$8,100,000 (Series 2003 A Certificates) and \$5,200,000 (Series 2003 B Certificates). The Corporation has entered into a lease agreement with the County whereby the Mid-Valley Landfill is leased to the County for the lease payments which are designed in both time and amount to pay the principal and interest on the Series 2008 A and Series 2008 B Certificates. The Landfill is located along the western boundary of the City of Rialto, and currently serves the cities of Rialto, Fontana, Montclair, Ontario, Rancho Cucamonga and Upland, and the unincorporated western valley area of San Bernardino County.

***Capital Improvement Refinancing Project:*** On June 26, 1996, the Corporation issued Certificates of Participation dated June 21, 1996 in the amount of \$9,200,000 (1996 Capital Improvement Refinancing Certificates). The proceeds from the sale of the 1996 Capital Improvement Refinancing Certificates were used to provide for the defeasance of \$13,125,000 in outstanding West Valley Detention Center/County Museum Certificates originally delivered in 1995 to finance the acquisition, construction, installation, and equipping of two dormitories at the West Valley Detention Center.

The Corporation has entered into a lease agreement whereby the Capital Improvement Refinancing Project is leased to the County for lease payments which are designed in both time and amount to pay the principal and interest on the 1996 Capital Improvement Refinancing Certificates. On May 13, 1997, the Corporation approved amendments to the Lease Agreement entered into in connection with the 1996 Capital Improvements Refinancing Certificates. The amendments provided for the release of property leased and the substitution of other property owned by the County. On September 17, 2001, the Corporation approved additional amendments to the Lease Agreement. The amendments provided for the release of certain properties previously pledged. The property currently leased in connection with the 1996 Capital Improvement Refinancing Certificates is the Fontana Government Center.

***Solid Waste Financing Project:*** The Corporation issued Certificates of Participation dated May 1, 2003 in the amount of \$93,875,000 (2003 B Solid Waste Financing Certificates). The proceeds were used to transfer funds to Inland Empire Solid Waste Financing Authority, a joint powers authority of San Bernardino County and San Bernardino County Flood Control District, which were used to refund \$92,120,000 of outstanding Certificates of Participation issued by the Inland Empire Solid Waste Financing Authority.

The Corporation issued Certificates of Participation dated April 16, 2008 in the amount of \$74,390,000 (Series 2008 B Certificates). The proceeds were used to prepay and refund the outstanding \$67,975,000 (Series 2003 B Certificates). The Corporation has entered into a lease agreement with the County whereby the Mid-Valley Landfill is leased to the County for the lease payments which are designed in both time and amount to pay the principal and interest on the Series 2008 B Certificates. The Landfill is located along the western boundary of the City of Rialto, and currently serves the cities of Rialto, Fontana, Montclair, Ontario, Rancho Cucamonga and Upland, and the unincorporated western valley area of San Bernardino County.

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 2: THE PROJECTS (continued)**

**Public Improvement Financing Project:** The Corporation issued on October 29, 1997, Certificates of Participation dated October 1, 1997 in the amount of \$17,790,000 (Public Improvement Financing Certificates). The proceeds from the sale of the Public Improvement Financing Certificates were primarily used to finance the acquisition, construction, installation and equipping of certain improvements throughout the County consisting generally of (a) the retrofit of lighting and HVAC systems at various County facilities and the upgrade of the PCB ballasts and chiller for the Central Plant, (b) the acquisition of a building located in the City of Ontario to be used for child care services and (c) the construction of a new juvenile hall housing facility and administrative center adjacent to the West Valley Detention Center.

The Corporation has entered into a Lease Agreement whereby the Public Improvement Financing Project, which includes the West Valley Juvenile Detention Center, the Information Services Building, and the Ontario Preschool Building, is leased to the County for lease payments which are designed in both time and amount to pay the principal and interest on the Public Improvement Financing Certificates.

**NOTE 3: CASH AND INVESTMENTS**

Fiscal agents acting on behalf of the Corporation held all cash and investments from long-term debt issuances. In accordance with the terms of the trust agreements, cash and investments are segregated and restricted for specified purposes. The trustee banks for the corporation's projects are as follows:

<u>Project</u>	<u>Trustee</u>
Construction and Improvement Project	Bank of New York Mellon and Wells Fargo Bank, Corporate Trust Services
West Valley Detention Center Project	Bank of New York Mellon
Medical Center Project	Wells Fargo Bank, Corporate Trust Services
Glen Helen Blockbuster Project	Wells Fargo Bank, Corporate Trust Services
Capital Improvement Refinancing Project	Wells Fargo Bank, Corporate Trust Services
Solid Waste Financing Project	Wells Fargo Bank, Corporate Trust Services
Public Improvement Financing Project	Wells Fargo Bank, Corporate Trust Services

As of June 30, 2009, cash and investments consist of the following:

Statement of Net Assets:

Cash and Cash Equivalents	\$ 37,900,793
Investments	<u>34,019,321</u>
Total Cash and Investments	<u><u>\$ 71,920,114</u></u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 3: CASH AND INVESTMENTS *(continued)***

**Investments Authorized by Debt Agreements**

Investment of debt proceeds held by bond trustees are governed by provisions of the trust agreements, created in connection with the issuance of debt (see Note 5) rather than the general provisions of the California Government Code. Certificates of Participation indentures specify the types of securities in which proceeds may be invested as well as any related insurance, collateral, or minimum credit rating requirements. Although requirements may vary between debt issues, money market funds are all required to be investment grade. Guaranteed investment contracts are required to be acceptable to the municipal bond insurer. The fair value of investments is based on the valuation provided by trustee banks.

**Interest Rate Risk**

Interest rate risk is the measurement of how changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the more sensitive its fair value is to changes in market interest rates. As a component unit of the County of San Bernardino which uses weighted average maturity to monitor its interest rate risk, the Corporation has elected weighted average maturity for its disclosure method.

As of June 30, 2009, the Corporation's cash and investments, including cash equivalents, were as follows:

**Interest rate risk:**

<u>Investments (Item Count)</u>	<u>Maturity</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
U. S. Treasury Bonds (2)	11/15/2022	\$ 24,312,781	13.3781
Guaranteed Investment Contracts (1)	07/14/08 - 07/27/28	9,706,540	6.6126
Money Market Funds (17)	7/1/2009	37,800,741	0.00
Cash		100,052	0.00
Total Investments		<u>\$ 71,920,114</u>	

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. Investments in any one issuer that represent 5 percent or more of total investments are shown below:

<u>Issuer - Guaranteed Investment Contracts</u>	<u>Fair Value</u>
MBIA Investment Management Corp.	\$ 9,706,540

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 3: CASH AND INVESTMENTS *(continued)***

**Custodial Credit Risk**

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker, dealer, or trustee) to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

As of June 30, 2009, the Corporation had investments held by Wells Fargo Bank where the underlying securities are not insured or registered in the name of the Corporation.

<u>Investment Type</u>	<u>Trustee</u>	<u>Fair Value</u>
U. S. Treasury Bonds	Wells Fargo	\$ 24,312,781
		<u>\$ 24,312,781</u>

**Credit Risk**

The Corporation's investments in money market funds were rated Aaa by Moody's Investors Service. The company with whom the Corporation has a guaranteed investment contract received Ba3 long-term senior debt ratings from Moody's.

**NOTE 4: LEASE RECEIVABLE**

The Corporation has entered into an agreement with the County whereby the Projects are leased to the County for lease payments that are equal to the debt service due on the Certificates of Participation. The leases are reported net of Unearned Interest Income which is recognized when received from the County.

The County may, pursuant to the lease agreement, abate the lease payments by the amount of investment interest income earned by the trustee in the lease payment and reserve accounts.

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 4: LEASE RECEIVABLE *(continued)***

The future minimum lease/installment payments to be received for each of the five succeeding fiscal years, and the aggregate thereafter are summarized as follows:

Description	2009-10	2010-11	2011-12
Construction and Improvement Project	\$ 9,912,490	\$ 8,652,000	\$ 8,678,360
West Valley Detention Center Project	9,051,021	9,043,020	9,030,270
Medical Center Project	39,964,531	40,013,270	40,046,216
Glen Helen Blockbuster Project	764,506	732,343	760,309
Capital Improvement Refinancing Project	311,798	310,716	310,206
Solid Waste Financing Project	6,825,439	7,327,780	7,832,734
Public Improvement Financing Project	1,316,603	1,312,538	740,538
	<u>\$ 68,146,388</u>	<u>\$ 67,391,667</u>	<u>\$ 67,398,633</u>

Description	2019-24	2024-29	Total Lease Payments
Construction and Improvement Project	\$ -	\$ -	\$ 62,685,584
West Valley Detention Center Project	-	-	90,085,886
Medical Center Project	201,115,796	201,927,519	803,784,796
Glen Helen Blockbuster Project	6,276,191	-	14,421,563
Capital Improvement Refinancing Project	2,318,183	1,001,439	6,907,252
Solid Waste Financing Project	-	-	70,045,340
Public Improvement Financing Project	3,224,244	1,284,838	13,040,759
	<u>\$ 212,934,414</u>	<u>\$ 204,213,796</u>	<u>\$ 1,060,971,180</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 4: LEASE RECEIVABLE *(continued)***

2012-13	2013-14	2014-2019	Description
\$ 8,889,400	\$ 8,877,520	\$ 17,675,814	Construction and Improvement Project
9,016,945	9,020,884	44,923,746	West Valley Detention Center Project
40,056,365	40,041,932	200,619,167	Medical Center Project
758,025	706,060	4,424,129	Glen Helen Blockbuster Project
309,697	309,187	2,036,026	Capital Improvement Refinancing Project
8,351,606	8,947,105	30,760,676	Solid Waste Financing Project
741,538	736,663	3,683,797	Public Improvement Financing Project
<u>\$ 68,123,576</u>	<u>\$ 68,639,351</u>	<u>\$ 304,123,355</u>	

Unearned Interest	Lease Receivable	Description
\$ (18,533,601)	\$ 44,151,983	Construction and Improvement Project
(27,722,119)	62,363,767	West Valley Detention Center Project
(370,269,220)	433,515,575	Medical Center Project
(4,353,975)	10,067,588	Glen Helen Blockbuster Project
(1,724,151)	5,183,101	Capital Improvement Refinancing Project
(8,754,205)	61,291,135	Solid Waste Financing Project
(4,144,443)	8,896,316	Public Improvement Financing Project
<u>\$ (435,501,713)</u>	<u>\$ 625,469,466</u>	



**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 5: LONG-TERM DEBT**

The following is a summary of changes in the Certificates of Participation for the fiscal year ended June 30, 2009:

Description	July 1, 2008	Additions	Reductions	June 30, 2009	Due Within One Year
Construction and Improvement Project					
1996 County Center Refinancing	\$ 20,000,000	\$ -	\$ 3,000,000	\$ 17,000,000	\$ 3,400,000
Regular Certificates (Series 2002)	47,270,000	-	4,435,000	42,835,000	4,650,000
West Valley Detention Center Project					
2001 Series A	7,635,000	-	565,000	7,070,000	590,000
2001 Series B	25,305,000	-	4,650,000	20,655,000	4,840,000
2002 Series A	43,355,000	-	280,000	43,075,000	290,000
Medical Center Project					
Series 1994	178,800,000	-	3,280,000	175,520,000	3,480,000
Series 1995	102,255,000	-	9,045,000	93,210,000	9,705,000
Series 1996	65,070,000	-	60,000	65,010,000	325,000
Series 1997	16,410,000	-	16,410,000	-	-
Series 1998*	176,510,000	-	1,000,000	175,510,000	8,278,000
Glen Helen Blockbuster Project					
Series 2008 A	8,860,000	-	580,000	8,280,000	620,000
Series 2008 B	5,695,000	-	130,000	5,565,000	90,000
Capital Improvement Refinancing Project	7,100,000	-	300,000	6,800,000	300,000
Solid Waste Financing Project (2008 B)	74,390,000	-	6,430,000	67,960,000	6,405,000
Public Improvement Financing Project	11,930,000	-	2,840,000	9,090,000	870,000
	<u>\$790,585,000</u>	<u>\$ -</u>	<u>\$ 53,005,000</u>	<u>\$737,580,000</u>	<u>\$43,843,000</u>

\* Medical Center Project Series 1998; the amount due within one year reflects the \$1,100,000 principal payment due on August 1, 2009 and the \$7,178,000 that is due on January 1, 2010 in accordance with termination notice received and the Standby Certificate Purchase Agreement with Helaba. Please see Note 12 – subsequent events disclosure for further details.

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 5: LONG-TERM DEBT (continued)**

The annual requirements to amortize all long-term debt outstanding June 30, 2009, including interest payments of \$ 373,652,727 over the life of the debt, are summarized as follows:

Description	2009-10	2010-11	2011-12
Construction and Improvement Project			
1996 County Center Refinancing*	\$ 3,417,689	\$ 2,113,800	\$ 2,211,160
Regular Certificates (Series 2002)	6,447,800	6,399,000	6,437,700
West Valley Detention Center Project			
2001 Series A	877,958	873,957	874,058
2001 Series B	5,632,750	5,627,900	5,610,800
2002 Series A	2,540,312	2,541,163	2,545,412
Medical Center Project			
Series 1994	12,885,300	12,772,725	12,775,738
Series 1995	15,074,475	15,186,425	7,432,588
Series 1996	3,574,806	3,572,350	3,573,975
Series 1998**	8,429,949	8,481,770	16,263,916
Glen Helen Blockbuster Project			
Series 2008 A*	638,540	623,646	627,137
Series 2008 B*	125,966	108,697	133,172
Capital Improvement Refinancing Project*	311,798	310,716	310,206
Solid Waste Financing Project*	6,825,439	7,327,780	7,832,734
Public Improvement Financing Project	1,316,603	1,312,538	740,538
	<u>\$ 68,099,386</u>	<u>\$ 67,252,465</u>	<u>\$ 67,369,134</u>

Description	2014-19	2019-24	2024-2029
Construction and Improvement Project			
1996 County Center Refinancing*	\$ 4,602,813	\$ -	\$ -
Regular Certificates (Series 2002)	19,101,500	-	-
West Valley Detention Center Project			
2001 Series A	4,347,021	-	-
2001 Series B	-	-	-
2002 Series A	40,576,725	-	-
Medical Center Project			
Series 1994	65,712,213	86,722,950	78,127,175
Series 1995	48,446,888	30,556,575	-
Series 1996	17,861,225	17,866,250	68,715,750
Series 1998**	68,598,844	65,970,021	55,084,594
Glen Helen Blockbuster Project			
Series 2008 A*	2,917,803	2,364,255	-
Series 2008 B*	1,506,326	3,911,936	-
Capital Improvement Refinancing Project*	2,036,027	2,318,183	1,001,439
Solid Waste Financing Project*	30,760,677	-	-
Public Improvement Financing Project	3,683,800	3,224,244	1,284,838
	<u>\$ 310,151,862</u>	<u>\$ 212,934,415</u>	<u>\$ 204,213,796</u>

\* Interest is paid monthly, computed at a weekly variable interest rate. Interest is based on the June 30, 2009 interest rate.

\*\*The 1998 Series does not include the mandatory redemption payments in the Long-Term Debt scheduled pursuant to the Standby Certificate Purchase Agreement with Helaba and the termination notice; please see Note 12 – Subsequent Events.

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 5: LONG-TERM DEBT (continued)**

2012-13	2013-2014	Description
\$ 2,308,400	\$ 2,405,520	Construction and Improvement Project
6,364,100	6,471,500	1996 County Center Refinancing*
		Regular Certificates (Series 2002)
868,257	871,115	West Valley Detention Center Project
5,604,900	-	2001 Series A
2,543,788	8,149,769	2001 Series B
		2002 Series A
12,777,200	12,766,837	Medical Center Project
7,434,512	7,441,487	Series 1994
3,574,550	3,574,075	Series 1995
16,270,103	16,259,532	Series 1996
		Series 1998
645,525	609,014	Glen Helen Blockbuster Project
112,499	97,047	Series 2008 A*
309,697	309,187	Series 2008 B*
8,351,606	8,947,105	Capital Improvement Refinancing Project*
741,538	736,663	Solid Waste Financing Project*
\$ 67,906,675	\$ 68,638,850	Public Improvement Financing Project

Total	Description
\$ 17,059,383	Construction and Improvement Project
51,221,600	1996 County Center Refinancing*
	Regular Certificates (Series 2002)
8,712,365	West Valley Detention Center Project
22,476,350	2001 Series A
58,897,168	2001 Series B
	2002 Series A
294,540,137	Medical Center Project
131,572,949	Series 1994
122,312,981	Series 1995
255,358,728	Series 1996
	Series 1998
8,425,920	Glen Helen Blockbuster Project
5,995,643	Series 2008 A*
6,907,253	Series 2008 B*
70,045,341	Capital Improvement Refinancing Project*
13,040,759	Solid Waste Financing Project*
\$ 1,066,566,581	Public Improvement Financing Project

Note: Principal and interest for each fiscal year is displayed in the supplementary information.

\*\*The 1998 Series does not include the mandatory redemption payments in the Long-Term Debt scheduled pursuant to the Standby Certificate Purchase Agreement with Helaba and the termination notice; please see Note 12 – Subsequent Events.

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 5: LONG-TERM DEBT (continued)**

**Source of Payment.** The ability of the Corporation to pay its obligation is dependent upon receipt of payments from the County of San Bernardino in accordance with various Lease Agreements. Under the Lease Agreements the County is required to make lease payments in each year, from any source of legally available funds, in an amount sufficient to pay the annual principal and interest with respect to the Certificates of Participation. The obligation of the County to make lease payments does not constitute an obligation of the County for which the County is obligated to levy or pledge any form of taxation, or for which the County has levied or pledged any form of taxation. Neither the Certificates, nor the obligation of the County to make such lease payments, constitutes any indebtedness of the County.

**Construction and Improvement Project.** The Corporation issued Certificates of Participation in the amount of \$68,100,000, consisting of \$61,575,000 Series 2002A Certificates and \$6,525,000 Taxable Series 2002A-T the "2002 Certificates," dated March 1, 2002. Interest rates range from 3.00 percent to 5.00 percent with July 1, 2016 final maturity date. The 2002 Certificates are not subject to optional prepayment prior to maturity.

On July 11, 1996, the Corporation issued "Variable Rate Demand" Certificates in the amount of \$39,600,000 due July 1, 2015. Interest on the Variable Rate Demand Certificates is payable at a variable weekly interest rate.

The Variable Rate Demand Certificates are subject to optional redemption, while bearing variable interest rates, on any interest payment date. During any Long-Term Interest Rate Period, the Certificates are subject to redemption in whole at any time or in part, on any interest payment date, during the periods specified below, at the premiums set forth below plus accrued interest, if any, to the redemption date:

<b>Length of Long-Term Interest Rate Period (expressed in years)</b>	<b>Redemption Premium</b>
Greater than 15	After 10 years at 2%, declining by 1% each year to 0%
Less than or equal to 15 and greater than 10	After 7 years at 2%, declining by 1% each year to 0%
Less than or equal to 10 and greater than 7	After 5 years at 2%, declining by 1% each year to 0%
Less than or equal to 7 and greater than 4	After 3 years at 1%, declining by 1% after a year to 0%
Less than or equal to 4	After 2 years at 0%

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 5: LONG-TERM DEBT (continued)**

**West Valley Detention Center Project.** On October 25, 2001, the Corporation issued "2001 Series A" Certificates of Participation in the amount of \$8,365,000 and "2001 Series B" Certificates of Participation in the amount of \$42,075,000. 2001 Series A Certificates bear interest rates from 4.00 percent to 4.60 percent. The 2001 Series B Certificates bear interest rates from 3.50 percent to 4.00 percent.

On August 6, 2002 the Corporation issued "2002 Series A" Certificates of Participation in the amount of \$44,480,000 which bear interest rates from 4.50 percent to 5.25 percent.

The 2001 Series A, 2001 Series B and 2002 Series A Certificates are subject to optional prepayment prior to maturity on or after November 1, 2011 at the option of the Corporation, as a whole or in part on any interest payment date, at the following premiums, plus accrued but unpaid interest to the prepayment date:

<u>Prepayment Period</u>	<u>Premium</u>
November 1, 2011 through October 31, 2012	2%
November 1, 2012 through October 31, 2013	1%
November 1 2013, and thereafter	0%

**Medical Center Project.** The Medical Center Series 1994 Certificates of Participation were issued by the Corporation dated February 1, 1994, in the amount of \$283,245,000, with interest rates from 4.60 percent to 7.00 percent.

The Series 1994 Certificates maturing on August 1, 2019, August 1, 2024, August 1, 2026, and August 1, 2028, are subject to optional redemption in whole or in part on any date in such order of maturity as the Corporation shall determine and by lot within a maturity, on or after August 1, 2007, at the following premiums, plus interest accrued to the redemption date:

<u>Redemption Dates</u>	<u>Premium</u>
August 1, 2007 and thereafter	0%

The Series 1994 Certificates maturing through August 1, 2009, August 1, 2017, August 1, 2020, and August 1, 2022, are not subject to optional redemption prior to maturity.

The Medical Center Series 1995 Certificates of Participation were issued by the Corporation dated June 1, 1995, in the amount of \$363,265,000, with interest rates from 4.80 percent to 7.00 percent.

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 5: LONG-TERM DEBT (continued)**

The Series 1995 Certificates maturing on August 1, 2022, are subject to optional redemption in whole or in part on any date in such order of maturity as the Corporation shall determine and by lot within a maturity, on or after August 1, 2006, at the following premiums, plus interest accrued to the redemption date:

<u>Redemption Dates</u>	<u>Premium</u>
August 1, 2007 and thereafter	0%

The Series 1995 Certificates maturing on and prior to August 1, 2010 and on August 1, 2017 are not subject to optional redemption prior to maturity.

The Medical Center Series 1996 Certificates of Participation were issued by the Corporation dated January 1, 1996, in the amount of \$65,070,000, with interest rates from 5 percent to 5.25 percent.

The Series 1996 Certificates are subject to optional redemption in whole or in part on any date in such order of maturity as the Corporation shall determine and by lot within a maturity, on or after August 1, 2006, at the following premiums, plus interest accrued to the redemption date:

<u>Redemption Dates</u>	<u>Premium</u>
August 1, 2008 and thereafter	0%

The Medical Center Series 1998 Certificates of Participation dated October 22, 1998 were issued by the Corporation in the amount of \$176,510,000. Interest with respect to the Certificates is payable at an adjustable weekly interest rate which may be converted to a fixed interest rate at the option of the Corporation. The Corporation entered into an interest rate swap agreement with Merrill Lynch Capital Services, Inc. which provides that the Corporation will pay a fixed rate of 4.1895% to the Swap Provider on a notional amount equal to the principal amount of the Series 1998 Certificates and the Swap Provider will pay interest to the Corporation at a variable rate of interest on the notional amount, such payments to be made on a net basis (see Note 6).

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 5: LONG-TERM DEBT *(continued)***

The Series 1998 Certificates are subject to optional redemption prior to their maturity at a redemption price equal to the principal amount thereof, plus accrued interest to the date of redemption as follows:

- (a) Prior to the Conversion Date to fixed interest rate, at a redemption price equal to the principal amount called for redemption without premium.
- (b) After the Conversion Date, at a redemption price of 100% of the principal amount plus a premium to be determined on or prior to the Conversion Date.

***Glen Helen Blockbuster Project.*** On April 16, 2008 the Corporation issued Certificates of Participation in the amount of \$14,555,000, consisting of \$8,860,000 (Series 2008 A Certificates) and \$5,695,000 (Series 2008 B Certificates) with a March 1, 2024 final maturity date. Interest with respect to the Series 2008 A and Series 2008 B Certificates is initially payable at an adjustable weekly rate mode and is due on the first business day of each month beginning on May 1, 2008. The variable interest rate at June 30, 2009 was .25% for the Series 2008 A Certificates and .70% for the Series 2008 B Certificates.

At the option of the Corporation, all or part of either Series of Certificates may be converted to bear interest at a Daily Rate, Extended Rate, or a Fixed Rate. On the Conversion Date, such Certificates shall be subject to mandatory tender for purchase at the applicable purchase price on effective date of the New Mode equal to 100% of the principal amount thereof, plus accrued interest.

The Series 2008 A and Series 2008 B Certificates are also subject to mandatory prepayment prior to their stated maturity in part from mandatory sinking account payments established pursuant to the Trust Agreement on any March 1 or September 1 on or after September 1, 2008, at the principal amount thereof together with interest accrued thereon to the date fixed for payment, without premium.

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 5: LONG-TERM DEBT (continued)**

**Capital Improvement Refinancing Project.** The 1996 Capital Improvement Refinancing Certificates of Participation were issued by the Corporation dated June 21, 1996, in the amount of \$9,200,000. Interest with respect to the Certificates is payable at a variable weekly interest rate which may be converted to a fixed interest rate at the option of the Corporation.

The 1996 Certificates are subject to optional redemption, while bearing variable interest rates, on any interest payment date. From and after the conversion date (to fixed interest rate), the Certificates are subject to redemption in whole at any time or in part on any interest payment date, with prior consent of the Letter of Credit Bank, during the periods specified below, at the premiums set forth below plus accrued interest, if any, to the redemption date:

<u>Period to Maturity (in years)</u>	<u>Redemption Dates and Premiums</u>
Greater than 15	On or after the first March 1 following the ninth anniversary of the conversion date, at redemption premium of 2 percent, declining one-half percent on each anniversary of such March 1, until it reaches zero percent.
Greater than 10	On or after the first March 1 following the seventh anniversary of the conversion date, at redemption premium of 2 percent, declining one-half percent on each anniversary of such March 1, until it reaches zero percent.
Greater than 5	On or after the first March 1 following the fourth anniversary of the conversion date, at redemption premium of 2 percent, declining one-half percent on each anniversary of such March 1, until it reaches zero percent.

**Solid Waste Financing Project.** On April 16, 2008 the Corporation issued Certificates of Participation in the amount of \$74,390,000 (the "Series 2008 B Certificates") with March 1, 2017 final maturity date. The descriptions pertaining to Series 2008 B Certificates (Glen Helen Blockbuster Project) are applicable to these Series 2008 B as they were issued together as the 2008 Refunding Certificates, Series B. The variable interest rate at June 30, 2009 was .70% for the Series 2008 B Certificates.

**Public Improvement Financing Project.** The Public Improvement Financing Certificates were issued by the Corporation dated October 1, 1997, in the amount of \$17,790,000, with interest rates from 3.85 percent to 5 percent.



**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 5: LONG-TERM DEBT (continued)**

The Certificates maturing on or before October 1, 2007, are not subject to optional redemption prior to maturity. The Certificates maturing on and after October 1, 2008, are subject to redemption in whole or in part on any date on or after October 1, 2007, at the principal amount with respect thereto, together with the premium set forth below, together with accrued interest unpaid with respect thereto to the date fixed for redemption, from the proceeds of optional prepayments of Lease Payments made by the County pursuant to the Lease Agreement:

<u>Redemption Dates</u>	<u>Premium</u>
October 1, 2008 through September 30, 2009	1%
October 1, 2009 and thereafter	0%

**NOTE 6: INTEREST RATE SWAP**

**Objective of the interest rate swap.** As a means to lower financing costs, and to reduce the risks to the Corporation associated with the fluctuation in the market interest rates, the Corporation entered into an interest rate swap in connection with the Medical Center Series 1998 Certificates of Participation (Series 1998 Certificates) in the amount of \$176,510,000. The intention of the swap was to effectively change the variable interest rate on the bonds to a synthetic fixed-rate of 4.1895 percent.

**Terms.** The Series 1998 Certificates and the related agreement mature on August 1, 2026, and the swap's notional amount of \$176,510,000 matches the \$176,510,000 variable-rate Series 1998 Certificates. The swap was effective at the same time the Series 1998 Certificates were issued on October 22, 1998. Starting in fiscal year 2008-09, the notional value of the swap and the principal amount of the associated debt decline. As of August 1, 2005 the Corporation paid Merrill Lynch a fixed payment of 4.1895 percent and receives from Merrill Lynch a variable payment computed as 73 percent of the monthly London Interbank Offered Rate (LIBOR).

**Fair Value.** Because the LIBOR rate is at a very low level at June 30, 2009, the swap negative fair value has increased to \$(24,231,460) as of June 30, 2009. Because the coupons on the variable-rate Series 1998 Certificates adjust to changing interest rates, the Series 1998 Certificates do not have a corresponding fair value increase. The fair value was the quoted market price from Merrill Lynch at June 30, 2009.

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 6: INTEREST RATE SWAP (continued)**

**Credit Risk.** The credit risk is the possibility that the counterparty will not perform certain obligations under the swap, including payment of the positive fair value or regularly scheduled payments. The swap had a negative fair value as of June 30, 2009. The swap counterparty was rated A2 by Moody's and A by Standard & Poor's as of June 30, 2009. The swap agreement specifies that if the long-term senior unsecured debt rating of Merrill Lynch & Co. is withdrawn, suspended or falls below A- (Standard & Poor's) or A3 (Moody's), the Corporation and Merrill Lynch must execute a collateral agreement within 30 days or the Corporation may terminate the swap agreement. The Corporation may also terminate the swap agreement if the long-term senior unsecured debt rating of Merrill Lynch & Co. is withdrawn, suspended or falls below BBB+ (Standard & Poor's) and Baa1 (Moody's).

**Basis Risk.** The swap exposes the Corporation to basis risk should the relationship between LIBOR and BMA converge, changing the synthetic rate on the Series 1998 Certificates. If a change occurs that results in the rates moving to convergence, the expected cost savings may not be realized. As of June 30, 2009, the BMA rate was .30 percent, the actual variable interest rate was 5.50 percent, and 73 percent of LIBOR was 0.2290 percent. The Corporation is in the process of restructuring/refinancing this interest rate swap.

**Termination Risk.** The Corporation or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. The swap may be terminated by the Corporation if Merrill Lynch credit quality rating falls below A- as issued by Standard & Poor or A3 by Moody's. If the swap is terminated, the variable-rate Series 1998 Certificates would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the Corporation would be liable to Merrill Lynch for a payment equal to the swap's fair value.

**Swap payments and associated debt.** Using rates as of June 30, 2009, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows. As rates vary, variable-rate Series 1998 Certificates interest payments and net swap payments will vary.

Fiscal Year	Variable Rate Bonds		Interest Rate	Total
	Principal	Interest	Swaps, Net	
2009-10	1,100,000	9,622,800	6,929,225	17,652,025
2010-11	1,200,000	9,559,550	6,883,680	17,643,230
2011-12	9,200,000	9,273,550	6,677,736	25,151,286
2012-13	9,600,000	8,756,550	6,305,452	24,662,002
2013-14	10,000,000	8,217,550	5,917,327	24,134,877
2014-27	144,410,000	59,395,875	42,770,025	246,575,900
	<u>\$ 175,510,000</u>	<u>\$ 104,825,875</u>	<u>\$ 75,483,445</u>	<u>\$ 355,819,320</u>

\*Please see Note 12 -Subsequent Events disclosure.

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 7: PRIOR YEARS' DEFEASANCE OF DEBT**

In the prior years, the Corporation defeased certain Certificates of Participation by placing proceeds of new certificates in an irrevocable trust to provide for all future debt service payments on the Certificates of Participation. Accordingly, the trust account assets and liability for the defeased certificates are not included in the Corporation's financial statements. At June 30, 2009, Certificates of Participation outstanding considered defeased are as follows:

<u>Defeased Debt</u>	<u>Amount</u>	<u>Refunded By</u>
1992 Medical Center	\$ 61,070,000	1994 Medical Center

**NOTE 8: ARBITRAGE PAYABLE**

The exclusion, under Section 103(a) of the Internal Revenue Code of 1986, from gross income for federal income tax purposes of the interest component of Lease Payments (and the interest payable with respect to the Certificates) is based on compliance with certain requirements of the Code. Included among such requirements of Section 148(f) of the Code is that certain excess investment earnings be rebated to the federal government.

Rebatable arbitrage (if any) is required to be paid to the federal government following the end of each period of five bond years during the term of the Lease Agreement (and Certificates of Participation). As of June 30, 2009, the estimated arbitrage payable, relating to the Medical Center Project, is \$80,899.

**NOTE 9: NET ASSETS/DEFICITS**

The net assets/deficits were caused by timing differences in recognition of revenue and expenses. Due to refunding of certain debt issues, costs, which otherwise would have been deferred, were accelerated into expenses.

***West Valley Detention Center Project:*** The deficit was caused by two debt refunding issues, an operating transfer and a timing difference in the expense of the interest of the 1988 Capital Appreciation Certificates and the associated lease revenue.

The first debt refunding involved an \$8.8 million loss on refunding during 1991-92. During this time, 1988 Current Interest Certificates and 1988 Capital Appreciation Certificates were refunded.

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 9: NET ASSETS/DEFICITS (*continued*)**

The second debt refunding involved a \$2 million loss on refunding during 2002-03. During this time, 1992 Series Certificates were refunded.

The loss on refunding was composed of the difference in the amount placed in the escrow for redemption of the Certificates and the amount of Certificates removed from the Corporation's accounting records, write-offs of Certificates issuance costs, write-offs of discounts on Certificates, and the unappreciated balance of the Capital Appreciation Certificates.

***Capital Improvement Refinancing Project:*** The deficit was caused by a timing difference in recognition of lease interest income and amortization of costs of issuance on Certificates and deferred amount on refinancing.

**NOTE 10: INVESTMENT AGREEMENT TERMINATIONS**

The investment agreement with IXIS Funding Corporation for the 1997 County Medical Center reserve fund terminated as scheduled on July 14, 2008. All monies, including accrued interest, were delivered to the trustee as scheduled.

The investment agreement with MBIA Inc. for the 1997 Public Improvement reserve fund was terminated by MBIA Inc. as a result of a downgrade of the bond insurer (MBIA). All monies, including accrued interest, were returned to the trustee on July 9, 2008.

The agreement with Lehman Bros. Special Financing Inc. (Lehman) for the 2002 Justice Center/Airport reserve fund requires Lehman to deliver securities to the trustee periodically at a guaranteed rate of 4.56%. The most recent delivery occurred on July 1, 2008. On September 17, 2008, the County elected to terminate the agreement, pursuant to applicable agreement provisions, as a result of the downgrade of Lehman Bros. Holdings. Under the terms of the agreement, Lehman owes the County a termination payment in an amount not yet determined. In order to protect the County's interest the County filed a claim in bankruptcy court. This claim seeks to provide the County relief for the loss of the 4.56% investment rate that was guaranteed in the Lehman agreement. The County is awaiting the processing of this claim. The County expresses no opinion on its ability to collect this termination payment.

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 11: AGREEMENTS WITH LIQUIDITY FACILITIES**

**Construction and Improvement Project:** Included in long-term debt at June 30, 2009, is \$17,000,000 Variable Rate Demand Certificates of Participation for the 1996 County Center Refinancing Project. The Certificates have a tender provision for bondholders, on 7 days notice, to tender their certificates at par value plus accrued interest. In connection with the issuance of the 1996 County Center Refinancing Certificates of Participation, the Corporation executed a Letter of Credit and Reimbursement Agreement between the Corporation and BNP Paribas (Bank). The term of this Agreement expires on May 4, 2013. The Agreement is terminated prior to the expiration date only if the occurrence of "events of defaults".

As of June 30, 2009, there were no outstanding certificates that have been tendered but failed to be remarketed. In accordance with the Agreement, interest is required to be paid to the Bank at the higher of a) Prime Rate or b) Federal Funds plus 1%, which were 3.25% and 1.22% respectively on June 30, 2009.

**Medical Center – Series 1998:** The 1998 Medical Center Certificates of Participation (COPs) were sold with a Demand Purchase Option. This option allows the owners of the COPs to sell them back to the Tender Agent upon seven days notice, and requires that the tender agent purchase the COPs at par plus accrued interest unless the COPs can be successfully sold to a new investor by the Remarketing Agent. Cash for the purchase of tendered COPs that cannot be resold to investors is provided pursuant to a Standby Purchase Agreement (SPA) with Landesbank Hessen-Thüringen Girozentrale (Helaba). The initial term of the SPA has been extended to December 31, 2015, however the agreement also allows Helaba to terminate their commitment to purchase COPs in November 2010 and November 2013. The obligation of Helaba to purchase tendered COPs is also subject to several conditions.

As of June 30, 2009, \$135,600,000 of the outstanding \$175,510,000 certificates was owned by Helaba pursuant to the terms of the SPA. In accordance with the liquidity agreement, interest on the \$135,600,000 is required to be paid to the SPA at Federal Funds plus 0.5%, which was .72% at June 30, 2009.

**1996 Capital Improvement Refinancing Project:** Included in long-term debt at June 30, 2009, is \$6,800,000 Variable Rate Demand Certificates of Participation for the 1996 Capital Improvement Refinancing Project. The Certificates have a tender provision for bondholders, on 7 days notice, to tender their certificates at par value. In connection with the issuance of the 1996 Capital Improvement Refinancing Certificates of Participation, the Corporation executed a Letter of Credit and Reimbursement Agreement between the Corporation and BNP Paribas (Bank). The term of this Agreement expires on May 4, 2013. The Agreement is terminated prior to the expiration date only if the occurrence of "events of defaults".

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 11: AGREEMENTS WITH LIQUIDITY FACILITIES (*Continued*)**

As of June 30, 2009, there were no outstanding certificates that have been tendered but failed to be remarketed. In accordance with the Agreement, interest is required to be paid to the Bank at the higher of a) Prime Rate or b) Federal Funds plus 1%, which was 3.25% and 1.22% respectively at June 30, 2009.

**2008 Refunding Program:** The 2008 Certificates of Participation (2008 Refunding Program) have an optional tender provision for bondholders, on seven days notice, to tender their certificates at par value. The 2008 Refunding Program includes \$8,860,000 of Series A Certificates of Participation and \$80,085,000 of Series B Taxable Certificates of Participation. In connection with the issuance of the 2008 Certificate of Participation, the Corporation executed a Letter of Credit and Reimbursement Agreement between the Corporation and Bank of America, N.A. (Bank). The term of this Agreement expires in April 1, 2013. The Agreement is terminated prior to the expiration date only if the occurrence of "events of defaults".

As of June 30, 2009, there were no outstanding certificates that have been tendered but failed to be remarketed. In accordance with the Agreement, interest is required to be paid to the Bank at the higher of a) Prime Rate or b) Federal Funds plus 0.5%, which was 3.25% and .72% respectively at June 30, 2009.

**NOTE 12: SUBSEQUENT EVENTS**

Medical Center Financing Project – Certificates of Participation, Series 1998:

On September 30, 2009, Landesbank Hessen-Thüringen Girozentrale, acting through its New York Branch (Helaba), notified Wells Fargo Bank, N.A., as trustee (the Trustee) for the Certificates of Participation, Series 1998 (Medical Center Financing Project), that Helaba's Available Commitment and its obligation to purchase the Series 1998 Certificates pursuant to the Standby Certificate Purchase Agreement, dated as of October 1, 1998, by and among Helaba, San Bernardino County and the Trustee, had been terminated. In the notice to the Trustee, Helaba stated that the sole reason for the termination was the ratings downgrade of MBIA Insurance Corporation to below investment grade by Standard & Poor's on September 28, 2009.

The terms of the Standby Certificate Purchase Agreement require that the outstanding Certificates (Bank Certificates) purchased with funds from Helaba but not remarketed at the termination of Helaba's commitment to purchase certificates shall be subject to mandatory redemption in five equal amounts commencing on January 1, 2010 and on each annual date thereafter with the last redemption occurring on the fifth annual date. The outstanding Bank Certificates subject to the mandatory redemption at September 28, 2009 was \$35,890,000.

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 12: SUBSEQUENT EVENTS (*Continued*)**

Although the County does not agree with the termination notice and is in discussions to resolve the matter, the first annual amount due on January 1, 2010 of \$7,178,000 has been recorded as a current liability. The Long-Term Debt Schedule in Note 5, Schedule of Debt Service – Certificates of Participation for the Medical Center Project – Series 1998 and the Swap Payments and Associated Debt Schedule in Note 6 have not been adjusted to reflect this mandatory redemption.

THIS PAGE LEFT INTENTIONALLY BLANK



**INLAND EMPIRE PUBLIC FACILITIES CORPORATION  
SCHEDULE OF LEASE PAYMENTS RECEIVABLE  
FOR THE YEAR ENDED JUNE 30, 2009**

**CONSTRUCTION AND IMPROVEMENT PROJECT  
1996 COUNTY CENTER REFINANCING**

<u>Fiscal Year</u>	<u>Total Payment</u>
2009-10	\$ 3,417,689
2010-11	2,113,800
2011-12	2,211,160
2012-13	2,308,400
2013-14	2,405,520
2014-15	2,302,760
2015-16	2,300,053
	<u>\$ 17,059,383</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION  
SCHEDULE OF LEASE PAYMENTS RECEIVABLE  
FOR THE YEAR ENDED JUNE 30, 2009**

**CONSTRUCTION AND IMPROVEMENT PROJECT  
SERIES 2002**

<u>Fiscal Year</u>	<u>Due December 15</u>	<u>Due June 15</u>	<u>Total Payment</u>
2009-10	\$ 852,400	\$ 5,642,400	\$ 6,494,800
2010-11	756,600	5,781,600	6,538,200
2011-12	656,100	5,811,100	6,467,200
2012-13	553,000	6,028,000	6,581,000
2013-14	443,500	6,028,500	6,472,000
2014-15	303,875	6,253,875	6,557,750
2015-16	155,125	6,360,125	6,515,250
	<u>\$ 3,720,600</u>	<u>\$ 41,905,600</u>	<u>\$ 45,626,200</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION  
SCHEDULE OF LEASE PAYMENTS RECEIVABLE  
FOR THE YEAR ENDED JUNE 30, 2009**

**WEST VALLEY DETENTION CENTER PROJECT - 2001 SERIES A**

<u>Fiscal Year</u>	<u>Due November 1</u>	<u>Due May 1</u>	<u>Total</u>
2009-10	\$ 739,879	\$ 138,079	\$ 877,958
2010-11	748,079	125,879	873,958
2011-12	760,879	113,179	874,058
2012-13	768,179	100,079	868,258
2013-14	785,079	86,036	871,115
2014-15	801,036	70,843	871,879
2015-16	815,843	54,825	870,668
2016-17	829,825	37,775	867,600
2017-18	847,775	19,550	867,325
2018-19	869,550	-	869,550
	<u>\$ 7,966,123</u>	<u>\$ 746,244</u>	<u>\$ 8,712,366</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION  
SCHEDULE OF LEASE PAYMENTS RECEIVABLE  
FOR THE YEAR ENDED JUNE 30, 2009**

**WEST VALLEY DETENTION CENTER PROJECT - 2001 SERIES B**

<u>Fiscal Year</u>	<u>Due November 1</u>	<u>Due May 1</u>	<u>Total</u>
2009-10	\$ 5,295,750	\$ 337,000	\$ 5,632,750
2010-11	5,392,000	235,900	5,627,900
2011-12	5,500,900	109,900	5,610,800
2012-13	5,604,900	-	5,604,900
	<u>\$ 21,793,550</u>	<u>\$ 682,800</u>	<u>\$ 22,476,350</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION  
SCHEDULE OF LEASE PAYMENTS RECEIVABLE  
FOR THE YEAR ENDED JUNE 30, 2009**

**WEST VALLEY DETENTION CENTER PROJECT – 2002 SERIES A**

<u>Fiscal Year</u>	<u>Due November 1</u>	<u>Due May 1</u>	<u>Total</u>
2009-10	\$ 1,418,419	\$ 1,121,894	\$ 2,540,313
2010-11	1,426,894	1,114,269	2,541,163
2011-12	1,439,269	1,106,144	2,545,413
2012-13	1,446,144	1,097,644	2,543,788
2013-14	7,212,644	937,125	8,149,769
2014-15	7,367,125	768,338	8,135,463
2015-16	7,533,338	590,756	8,124,094
2016-17	7,715,756	403,725	8,119,481
2017-18	7,898,725	206,981	8,105,706
2018-19	8,091,981	-	8,091,981
	<u>\$ 51,550,294</u>	<u>\$ 7,346,875</u>	<u>\$ 58,897,169</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION  
SCHEDULE OF LEASE PAYMENTS RECEIVABLE  
FOR THE YEAR ENDED JUNE 30, 2009**

**MEDICAL CENTER PROJECT - SERIES 1994**

<b>Fiscal Year</b>	<b>Due July 15</b>	<b>Due January 15</b>	<b>Total</b>
2009-10	\$ 8,234,850	\$ 4,650,450	\$ 12,885,300
2010-11	8,220,450	4,552,275	12,772,725
2011-12	8,327,275	4,448,463	12,775,738
2012-13	8,438,463	4,338,738	12,777,200
2013-14	8,543,738	4,223,100	12,766,838
2014-15	8,668,100	4,100,863	12,768,963
2015-16	8,795,863	3,971,750	12,767,613
2016-17	8,936,750	3,835,213	12,771,963
2017-18	9,070,213	3,691,250	12,761,463
2018-19	11,156,250	3,485,963	14,642,213
2019-20	11,365,963	3,269,263	14,635,225
2020-21	15,449,263	2,842,963	18,292,225
2021-22	15,412,963	2,497,288	17,910,250
2022-23	15,787,288	2,131,813	17,919,100
2023-24	16,221,813	1,744,338	17,966,150
2024-25	16,634,338	1,334,863	17,969,200
2025-26	14,394,863	1,008,363	15,403,225
2026-27	14,733,363	665,238	15,398,600
2027-28	14,340,238	340,456	14,680,694
2028-29	14,675,456	-	14,675,456
	<u>\$ 237,407,494</u>	<u>\$ 57,132,644</u>	<u>\$ 294,540,138</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION  
SCHEDULE OF LEASE PAYMENTS RECEIVABLE  
FOR THE YEAR ENDED JUNE 30, 2009**

**MEDICAL CENTER PROJECT - SERIES 1995**

<u>Fiscal Year</u>	<u>Due July 15</u>	<u>Due January 15</u>	<u>Total</u>
2009-10	\$ 12,559,575	\$ 2,514,900	\$ 15,074,475
2010-11	13,039,900	2,146,525	15,186,425
2011-12	5,391,525	2,041,063	7,432,588
2012-13	5,506,063	1,928,450	7,434,513
2013-14	5,633,450	1,808,038	7,441,488
2014-15	5,763,038	1,679,500	7,442,538
2015-16	5,904,500	1,542,188	7,446,688
2016-17	11,087,188	1,257,175	12,344,363
2017-18	11,397,175	954,250	12,351,425
2018-19	8,104,250	757,625	8,861,875
2019-20	8,317,625	549,725	8,867,350
2020-21	6,729,725	379,775	7,109,500
2021-22	7,099,775	194,975	7,294,750
2022-23	7,284,975	-	7,284,975
	<u>\$ 113,818,763</u>	<u>\$ 17,754,188</u>	<u>\$ 131,572,950</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION  
SCHEDULE OF LEASE PAYMENTS RECEIVABLE  
FOR THE YEAR ENDED JUNE 30, 2009**

**MEDICAL CENTER PROJECT - SERIES 1996**

<b>Fiscal Year</b>	<b>Due July 15</b>	<b>Due January 15</b>	<b>Total</b>
2009-10	\$ 1,954,169	\$ 1,620,638	\$ 3,574,806
2010-11	1,960,638	1,611,713	3,572,350
2011-12	1,971,713	1,602,263	3,573,975
2012-13	1,982,263	1,592,288	3,574,550
2013-14	1,992,288	1,581,788	3,574,075
2014-15	2,001,788	1,570,763	3,572,550
2015-16	2,015,763	1,559,081	3,574,844
2016-17	2,024,081	1,546,875	3,570,956
2017-18	2,036,875	1,534,625	3,571,500
2018-19	2,049,625	1,521,750	3,571,375
2019-20	2,066,750	1,508,125	3,574,875
2020-21	2,078,125	1,493,875	3,572,000
2021-22	2,093,875	1,478,875	3,572,750
2022-23	2,108,875	1,463,125	3,572,000
2023-24	2,128,125	1,446,500	3,574,625
2024-25	2,141,500	1,429,125	3,570,625
2025-26	2,164,125	1,410,750	3,574,875
2026-27	8,530,750	1,232,750	9,763,500
2027-28	25,262,750	632,000	25,894,750
2028-29	25,912,000	-	25,912,000
	<u>\$ 94,476,075</u>	<u>\$ 27,836,906</u>	<u>\$ 122,312,981</u>



Schedule Nine

INLAND EMPIRE PUBLIC FACILITIES CORPORATION  
SCHEDULE OF LEASE PAYMENTS RECEIVABLE  
FOR THE YEAR ENDED JUNE 30, 2009

MEDICAL CENTER PROJECT - SERIES 1998

<u>Fiscal Year</u>	<u>Due July 15</u>	<u>Due January 15</u>	<u>Total</u>
2009-10	\$ 4,776,496	\$ 3,653,453	\$ 8,429,949
2010-11	4,853,453	3,628,316	8,481,770
2011-12	12,828,316	3,435,599	16,263,916
2012-13	13,035,599	3,234,503	16,270,103
2013-14	13,234,503	3,025,028	16,259,532
2014-15	13,525,028	2,805,080	16,330,108
2015-16	13,705,080	2,576,752	16,281,832
2016-17	8,976,752	2,442,688	11,419,440
2017-18	9,142,688	2,302,340	11,445,028
2018-19	11,002,340	2,120,096	13,122,436
2019-20	11,220,096	1,929,474	13,149,571
2020-21	9,429,474	1,772,368	11,201,842
2021-22	9,872,368	1,602,693	11,475,061
2022-23	10,002,693	1,426,734	11,429,427
2023-24	17,626,734	1,087,385	18,714,119
2024-25	17,987,385	733,372	18,720,757
2025-26	20,933,372	310,232	21,243,604
2126-27	15,120,232	-	15,120,232
	<u>\$ 217,272,612</u>	<u>\$ 38,086,116</u>	<u>\$ 255,358,728</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION  
SCHEDULE OF LEASE PAYMENTS RECEIVABLE  
FOR THE YEAR ENDED JUNE 30, 2009**

**GLEN HELEN BLOCKBUSTER PROJECT  
SERIES 2008 A**

<u>Fiscal Year</u>	<u>Total Payment</u>
2009-10	\$ 638,540
2010-11	623,646
2011-12	627,137
2012-13	645,525
2013-14	609,014
2014-15	607,524
2015-16	581,043
2016-17	599,512
2017-18	568,073
2018-19	561,651
2019-20	510,328
2020-21	518,983
2021-22	472,801
2022-23	446,625
2023-24	415,518
	<u>\$ 8,425,920</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION  
SCHEDULE OF LEASE PAYMENTS RECEIVABLE  
FOR THE YEAR ENDED JUNE 30, 2009**

**GLEN HELEN BLOCKBUSTER PROJECT  
SERIES 2008 B**

<u>Fiscal Year</u>	<u>Total Payment</u>
2009-10	\$ 125,966
2010-11	108,697
2011-12	133,172
2012-13	112,499
2013-14	97,047
2014-15	111,541
2015-16	96,188
2016-17	75,698
2017-18	593,481
2018-19	629,418
2019-20	694,891
2020-21	729,979
2021-22	769,824
2022-23	839,120
2023-24	878,122
	<u>\$ 5,995,643</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION  
SCHEDULE OF LEASE PAYMENTS RECEIVABLE  
FOR THE YEAR ENDED JUNE 30, 2009**

**CAPITAL IMPROVEMENT REFINANCING PROJECT**

<u>Fiscal Year</u>	<u>Total Payment</u>
2009-10	\$ 311,798
2010-11	310,716
2011-12	310,206
2012-13	309,697
2013-14	309,187
2014-15	408,565
2015-16	407,886
2016-17	407,206
2017-18	406,525
2018-19	405,845
2019-20	405,165
2020-21	404,485
2021-22	503,694
2022-23	502,844
2023-24	501,994
2024-25	501,144
2025-26	500,294
	\$ 6,907,253

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION  
SCHEDULE OF LEASE PAYMENTS RECEIVABLE  
FOR THE YEAR ENDED JUNE 30, 2009**

**SOLID WASTE FINANCING PROJECT  
SERIES 2008 B**

<u>Fiscal Year</u>	<u>Total Payment</u>
2009-10	\$ 6,825,439
2010-11	7,327,780
2011-12	7,832,734
2012-13	8,351,606
2013-14	8,947,105
2014-15	9,567,849
2015-16	10,233,901
2016-17	10,958,927
	<u>\$ 70,045,341</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION  
SCHEDULE OF LEASE PAYMENTS RECEIVABLE  
FOR THE YEAR ENDED JUNE 30, 2009**

**PUBLIC IMPROVEMENT FINANCING PROJECT**

<u>Fiscal Year</u>	<u>Due September 15</u>	<u>Due March 15</u>	<u>Total</u>
2009-10	\$ 1,103,959	\$ 212,644	\$ 1,316,603
2010-11	1,122,644	189,894	1,312,538
2011-12	559,894	180,644	740,538
2012-13	570,644	170,894	741,538
2013-14	575,894	160,769	736,663
2014-15	590,769	150,019	740,788
2015-16	600,019	138,206	738,225
2016-17	608,206	125,869	734,075
2017-18	620,869	112,875	733,744
2018-19	637,875	99,094	736,969
2019-20	559,094	87,019	646,113
2020-21	572,019	74,288	646,306
2021-22	584,288	60,900	645,188
2022-23	595,900	46,856	642,756
2023-24	611,856	32,025	643,881
2024-25	627,025	16,406	643,431
2025-26	641,406	-	641,406
	<u>\$ 11,182,359</u>	<u>\$ 1,858,400</u>	<u>\$ 13,040,759</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION  
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION  
FOR THE YEAR ENDED JUNE 30, 2009**

**CONSTRUCTION AND IMPROVEMENT PROJECT  
1996 COUNTY CENTER REFINANCING**

<u>Fiscal Year</u>	<u>Due July 1 Principal</u>	<u>Fiscal Year** Interest</u>	<u>Total</u>
2009-10	\$ 3,400,000	\$ 17,689	\$ 3,417,689
2010-11	2,100,000	13,800	2,113,800
2011-12	2,200,000	11,160	2,211,160
2012-13	2,300,000	8,400	2,308,400
2013-14	2,400,000	5,520	2,405,520
2014-15	2,300,000	2,760	2,302,760
2015-16	2,300,000	53	2,300,053
	<u>\$ 17,000,000</u>	<u>\$ 59,383</u>	<u>\$ 17,059,383</u>

\*\*Interest paid monthly, computed at a variable interest rate. Fiscal year interest in this schedule is based on June 30, 2009 interest rate.

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION  
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION  
FOR THE YEAR ENDED JUNE 30, 2009**

**CONSTRUCTION AND IMPROVEMENT PROJECT  
SERIES 2002**

<b>Fiscal Year</b>	<b>Due July 1</b>		<b>Due January 1</b>	<b>Total</b>
	<b>Principal</b>	<b>Interest</b>	<b>Interest</b>	
2009-10	\$ 4,650,000	\$ 945,400	\$ 852,400	\$ 6,447,800
2010-11	4,790,000	852,400	756,600	6,399,000
2011-12	5,025,000	756,600	656,100	6,437,700
2012-13	5,155,000	656,100	553,000	6,364,100
2013-14	5,475,000	553,000	443,500	6,471,500
2014-15	5,585,000	443,500	303,875	6,332,375
2015-16	5,950,000	303,875	155,125	6,409,000
2016-17	6,205,000	155,125	-	6,360,125
	<u>\$ 42,835,000</u>	<u>\$ 4,666,000</u>	<u>\$ 3,720,600</u>	<u>\$ 51,221,600</u>



**INLAND EMPIRE PUBLIC FACILITIES CORPORATION  
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION  
FOR THE YEAR ENDED JUNE 30, 2009**

**WEST VALLEY DETENTION CENTER PROJECT - 2001 SERIES A**

<b>Fiscal Year</b>	<b>Due November 1</b>		<b>Due May 1</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Interest</b>	<b>Total</b>
2009-10	\$ 590,000	\$ 149,879	\$ 138,079	\$ 877,958
2010-11	610,000	138,079	125,879	873,958
2011-12	635,000	125,879	113,179	874,058
2012-13	655,000	113,179	100,079	868,258
2013-14	685,000	100,079	86,036	871,115
2014-15	715,000	86,036	70,843	871,879
2015-16	745,000	70,843	54,825	870,668
2016-17	775,000	54,825	37,775	867,600
2017-18	810,000	37,775	19,550	867,325
2018-19	850,000	19,550	-	869,550
	<u>\$ 7,070,000</u>	<u>\$ 896,123</u>	<u>\$ 746,244</u>	<u>\$ 8,712,366</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION  
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION  
FOR THE YEAR ENDED JUNE 30, 2009**

**WEST VALLEY DETENTION CENTER PROJECT - 2001 SERIES B**

<b>Fiscal Year</b>	<b>Due November 1</b>		<b>Due May 1</b>	<b>Total</b>
	<b>Principal</b>	<b>Interest</b>	<b>Interest</b>	
2009-10	\$ 4,840,000	\$ 455,750	\$ 337,000	\$ 5,632,750
2010-11	5,055,000	337,000	235,900	5,627,900
2011-12	5,265,000	235,900	109,900	5,610,800
2012-13	5,495,000	109,900	-	5,604,900
	<u>\$ 20,655,000</u>	<u>\$ 1,138,550</u>	<u>\$ 682,800</u>	<u>\$ 22,476,350</u>

Schedule Nineteen

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION  
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION  
FOR THE YEAR ENDED JUNE 30, 2009**

**WEST VALLEY DETENTION CENTER PROJECT - 2002 SERIES A**

<b>Fiscal Year</b>	<b>Due November 1</b>		<b>Due May 1</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Interest</b>	<b>Total</b>
2009-10	\$ 290,000	\$ 1,128,419	\$ 1,121,894	\$ 2,540,313
2010-11	305,000	1,121,894	1,114,269	2,541,163
2011-12	325,000	1,114,269	1,106,144	2,545,413
2012-13	340,000	1,106,144	1,097,644	2,543,788
2013-14	6,115,000	1,097,644	937,125	8,149,769
2014-15	6,430,000	937,125	768,338	8,135,463
2015-16	6,765,000	768,338	590,756	8,124,094
2016-17	7,125,000	590,756	403,725	8,119,481
2017-18	7,495,000	403,725	206,981	8,105,706
2018-19	7,885,000	206,981	-	8,091,981
	<u>\$ 43,075,000</u>	<u>\$ 8,475,294</u>	<u>\$ 7,346,875</u>	<u>\$ 58,897,169</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION  
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION  
FOR THE YEAR ENDED JUNE 30, 2009**

**MEDICAL CENTER PROJECT - SERIES 1994**

Fiscal Year	Due August 1		Due February 1	
	Principal	Interest	Interest	Total
2009-10	\$ 3,480,000	\$ 4,754,850	\$ 4,650,450	\$ 12,885,300
2010-11	3,570,000	4,650,450	4,552,275	12,772,725
2011-12	3,775,000	4,552,275	4,448,463	12,775,738
2012-13	3,990,000	4,448,463	4,338,738	12,777,200
2013-14	4,205,000	4,338,738	4,223,100	12,766,838
2014-15	4,445,000	4,223,100	4,100,863	12,768,963
2015-16	4,695,000	4,100,863	3,971,750	12,767,613
2016-17	4,965,000	3,971,750	3,835,213	12,771,963
2017-18	5,235,000	3,835,213	3,691,250	12,761,463
2018-19	7,465,000	3,691,250	3,485,963	14,642,213
2019-20	7,880,000	3,485,963	3,269,263	14,635,225
2020-21	12,180,000	3,269,263	2,842,963	18,292,225
2021-22	12,570,000	2,842,963	2,497,288	17,910,250
2022-23	13,290,000	2,497,288	2,131,813	17,919,100
2023-24	14,090,000	2,131,813	1,744,338	17,966,150
2024-25	14,890,000	1,744,338	1,334,863	17,969,200
2025-26	13,060,000	1,334,863	1,008,363	15,403,225
2026-27	13,725,000	1,008,363	665,238	15,398,600
2027-28	13,675,000	665,238	340,456	14,680,694
2028-29	14,335,000	340,456	-	14,675,456
	<u>\$ 175,520,000</u>	<u>\$ 61,887,494</u>	<u>\$ 57,132,644</u>	<u>\$ 294,540,138</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**MEDICAL CENTER PROJECT - SERIES 1995**

<b>Fiscal Year</b>	<b>Due August 1</b>		<b>Due February 1</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Interest</b>	<b>Total</b>
2009-10	\$ 9,705,000	\$ 2,854,575	\$ 2,514,900	\$ 15,074,475
2010-11	10,525,000	2,514,900	2,146,525	15,186,425
2011-12	3,245,000	2,146,525	2,041,063	7,432,588
2012-13	3,465,000	2,041,063	1,928,450	7,434,513
2013-14	3,705,000	1,928,450	1,808,038	7,441,488
2014-15	3,955,000	1,808,038	1,679,500	7,442,538
2015-16	4,225,000	1,679,500	1,542,188	7,446,688
2016-17	9,545,000	1,542,188	1,257,175	12,344,363
2017-18	10,140,000	1,257,175	954,250	12,351,425
2018-19	7,150,000	954,250	757,625	8,861,875
2019-20	7,560,000	757,625	549,725	8,867,350
2020-21	6,180,000	549,725	379,775	7,109,500
2021-22	6,720,000	379,775	194,975	7,294,750
2022-23	7,090,000	194,975	-	7,284,975
	<u>\$ 93,210,000</u>	<u>\$ 20,608,763</u>	<u>\$ 17,754,188</u>	<u>\$ 131,572,950</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION  
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION  
FOR THE YEAR ENDED JUNE 30, 2009**

**MEDICAL CENTER PROJECT - SERIES 1996**

<b>Fiscal Year</b>	<b>Due August 1</b>		<b>Due February 1</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Interest</b>	<b>Total</b>
2009-10	\$ 325,000	\$ 1,629,169	\$ 1,620,638	\$ 3,574,806
2010-11	340,000	1,620,638	1,611,713	3,572,350
2011-12	360,000	1,611,713	1,602,263	3,573,975
2012-13	380,000	1,602,263	1,592,288	3,574,550
2013-14	400,000	1,592,288	1,581,788	3,574,075
2014-15	420,000	1,581,788	1,570,763	3,572,550
2015-16	445,000	1,570,763	1,559,081	3,574,844
2016-17	465,000	1,559,081	1,546,875	3,570,956
2017-18	490,000	1,546,875	1,534,625	3,571,500
2018-19	515,000	1,534,625	1,521,750	3,571,375
2019-20	545,000	1,521,750	1,508,125	3,574,875
2020-21	570,000	1,508,125	1,493,875	3,572,000
2021-22	600,000	1,493,875	1,478,875	3,572,750
2022-23	630,000	1,478,875	1,463,125	3,572,000
2023-24	665,000	1,463,125	1,446,500	3,574,625
2024-25	695,000	1,446,500	1,429,125	3,570,625
2025-26	735,000	1,429,125	1,410,750	3,574,875
2026-27	7,120,000	1,410,750	1,232,750	9,763,500
2027-28	24,030,000	1,232,750	632,000	25,894,750
2028-29	25,280,000	632,000	-	25,912,000
	<u>\$ 65,010,000</u>	<u>\$ 29,466,075</u>	<u>\$ 27,836,906</u>	<u>\$ 122,312,981</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**MEDICAL CENTER PROJECT – SERIES 1998**

Fiscal Year	Due August 1		Due February 1	
	Principal	Interest	Interest	Total
2009-10	\$ 1,100,000	\$ 3,676,496	\$ 3,653,453	\$ 8,429,949
2010-11	1,200,000	3,653,453	3,628,316	8,481,770
2011-12	9,200,000	3,628,316	3,435,599	16,263,916
2012-13	9,600,000	3,435,599	3,234,503	16,270,103
2013-14	10,000,000	3,234,503	3,025,028	16,259,532
2014-15	10,500,000	3,025,028	2,805,080	16,330,108
2015-16	10,900,000	2,805,080	2,576,752	16,281,832
2016-17	6,400,000	2,576,752	2,442,688	11,419,440
2017-18	6,700,000	2,442,688	2,302,340	11,445,028
2018-19	8,700,000	2,302,340	2,120,096	13,122,436
2019-20	9,100,000	2,120,096	1,929,474	13,149,571
2020-21	7,500,000	1,929,474	1,772,368	11,201,842
2021-22	8,100,000	1,772,368	1,602,693	11,475,061
2022-23	8,400,000	1,602,693	1,426,734	11,429,427
2023-24	16,200,000	1,426,734	1,087,385	18,714,119
2024-25	16,900,000	1,087,385	733,372	18,720,757
2025-26	20,200,000	733,372	310,232	21,243,604
2026-27	14,810,000	310,232	-	15,120,232
	<u>\$ 175,510,000</u>	<u>\$ 41,762,612</u>	<u>\$ 38,086,116</u>	<u>\$ 255,358,728</u>

\* Schedule does not reflect the redemption payments scheduled pursuant to the Termination notice and the Standby Certificate Purchase Agreement with Helaba; please see Note 12 – Subsequent Events Disclosure.

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**GLEN HELEN BLOCKBUSTER REFINANCING PROJECT – SERIES 2008 A**

<b>Fiscal Year</b>	<b>Principal</b>		<b>Fiscal Year</b>	<b>Total</b>
	<b>Due September 1</b>	<b>Due March 1</b>	<b>Interest**</b>	
2009-10	\$ 260,000	\$ 360,000	\$ 18,540	\$ 638,540
2010-11	305,000	300,000	18,646	623,646
2011-12	320,000	290,000	17,137	627,137
2012-13	325,000	305,000	15,525	645,525
2013-14	275,000	320,000	14,014	609,014
2014-15	260,000	335,000	12,524	607,524
2015-16	275,000	295,000	11,043	581,043
2016-17	310,000	280,000	9,512	599,512
2017-18	280,000	280,000	8,073	568,073
2018-19	285,000	270,000	6,651	561,651
2019-20	255,000	250,000	5,328	510,328
2020-21	290,000	225,000	3,983	518,983
2021-22	215,000	255,000	2,801	472,801
2022-23	215,000	230,000	1,625	446,625
2023-24	215,000	200,000	518	415,518
	<u>\$ 4,085,000</u>	<u>\$ 4,195,000</u>	<u>\$ 145,920</u>	<u>\$ 8,425,920</u>

\*\* Interest paid monthly, computed at a weekly variable interest rate. Fiscal year interest in this schedule is based on June 30, 2009 interest rate.



**INLAND EMPIRE PUBLIC FACILITIES CORPORATION**  
**SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**GLEN HELEN BLOCKBUSTER REFINANCING PROJECT – SERIES 2008 B**

<b>Fiscal Year</b>	<b>Principal</b>		<b>Fiscal Year</b>	
	<b>Due September 1</b>	<b>Due March 1</b>	<b>Interest**</b>	<b>Total</b>
2009-10	\$ 35,000	\$ 55,000	\$ 35,966	\$ 125,966
2010-11	10,000	60,000	38,697	108,697
2011-12	35,000	60,000	38,172	133,172
2012-13	15,000	60,000	37,499	112,499
2013-14	-	60,000	37,047	97,047
2014-15	15,000	60,000	36,541	111,541
2015-16	-	60,000	36,188	96,188
2016-17	-	40,000	35,698	75,698
2017-18	285,000	275,000	33,481	593,481
2018-19	290,000	310,000	29,418	629,418
2019-20	350,000	320,000	24,891	694,891
2020-21	355,000	355,000	19,979	729,979
2021-22	365,000	390,000	14,824	769,824
2022-23	425,000	405,000	9,120	839,120
2023-24	435,000	440,000	3,122	878,122
	<u>\$ 2,615,000</u>	<u>\$ 2,950,000</u>	<u>\$ 430,643</u>	<u>\$ 5,995,643</u>

\*\* Interest paid monthly, computed at a weekly variable interest rate. Fiscal year interest in this schedule is based on June 30, 2009 interest rate.

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION  
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION  
FOR THE YEAR ENDED JUNE 30, 2009**

**CAPITAL IMPROVEMENT REFINANCING PROJECT**

<u>Fiscal Year</u>	<u>Due November 1 Principal</u>	<u>Fiscal Year Interest<sup>**</sup></u>	<u>Total</u>
2009-10	\$ 300,000	\$ 11,798	\$ 311,798
2010-11	300,000	10,716	310,716
2011-12	300,000	10,206	310,206
2012-13	300,000	9,697	309,697
2013-14	300,000	9,187	309,187
2014-15	400,000	8,565	408,565
2015-16	400,000	7,886	407,886
2016-17	400,000	7,206	407,206
2017-18	400,000	6,525	406,525
2018-19	400,000	5,845	405,845
2019-20	400,000	5,165	405,165
2020-21	400,000	4,485	404,485
2021-22	500,000	3,694	503,694
2022-23	500,000	2,844	502,844
2023-24	500,000	1,994	501,994
2024-25	500,000	1,144	501,144
2025-26	500,000	294	500,294
	<u>\$ 6,800,000</u>	<u>\$ 107,253</u>	<u>\$ 6,907,253</u>

<sup>\*\*</sup>Interest paid every 28 days, computed at a variable interest rate. Fiscal year interest in this schedule is based on June 30, 2009 interest rate.

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION  
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION  
FOR THE YEAR ENDED JUNE 30, 2009**

**SOLID WASTE FINANCING PROJECT – SERIES 2008 B**

<b>Fiscal Year</b>	<b>Principal</b>		<b>Fiscal Year</b>	
	<b>Due September 1</b>	<b>Due March 1</b>	<b>Interest**</b>	<b>Total</b>
2009-10	\$ 3,065,000	\$ 3,340,000	\$ 420,439	\$ 6,825,439
2010-11	3,330,000	3,585,000	412,780	7,327,780
2011-12	3,605,000	3,865,000	362,734	7,832,734
2012-13	3,915,000	4,130,000	306,606	8,351,606
2013-14	4,265,000	4,435,000	247,105	8,947,105
2014-15	4,630,000	4,755,000	182,849	9,567,849
2015-16	5,010,000	5,110,000	113,901	10,233,901
2016-17	5,410,000	5,510,000	38,927	10,958,927
	<u>\$ 33,230,000</u>	<u>\$ 34,730,000</u>	<u>\$ 2,085,340</u>	<u>\$ 70,045,340</u>

\*\*Interest paid monthly, computed at a weekly variable interest rate. Fiscal year interest in this schedule is based on June 30, 2009 interest rate.

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION  
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION  
FOR THE YEAR ENDED JUNE 30, 2009**

**PUBLIC IMPROVEMENT FINANCING PROJECT**

Fiscal Year	Due October 1		Due April 1	
	Principal	Interest	Interest	Total
2009-10	\$ 870,000	\$ 233,959	\$ 212,644	\$ 1,316,603
2010-11	910,000	212,644	189,894	1,312,538
2011-12	370,000	189,894	180,644	740,538
2012-13	390,000	180,644	170,894	741,538
2013-14	405,000	170,894	160,769	736,663
2014-15	430,000	160,769	150,019	740,788
2015-16	450,000	150,019	138,206	738,225
2016-17	470,000	138,206	125,869	734,075
2017-18	495,000	125,869	112,875	733,744
2018-19	525,000	112,875	99,094	736,969
2019-20	460,000	99,094	87,019	646,113
2020-21	485,000	87,019	74,288	646,306
2021-22	510,000	74,288	60,900	645,188
2022-23	535,000	60,900	46,856	642,756
2023-24	565,000	46,856	32,025	643,881
2024-25	595,000	32,025	16,406	643,431
2025-26	625,000	16,406	-	641,406
	\$ 9,090,000	\$ 2,092,359	\$ 1,858,400	\$ 13,040,759